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FM AMEMBASSY JAKARTA  
TO RUEHC/SECSTATE WASHDC 2210  
RUEATRS/DEPT OF TREASURY WASHDC  
RHEHAAA/WHITE HOUSE WASHDC  
RHEHNSC/NSC WASHDC

UNCLAS JAKARTA 000739

SENSITIVE  
SIPDIS

DEPT FOR EAP/MTS AND OES  
PASS TO TODD STERN AND JONATHAN PERSHING

E.O. 12958: N/A

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SUBJECT: Major Economies Forum and Indonesia

**¶1. (SBU)** Summary: The Indonesians welcome U.S. reengagement and leadership on the climate change negotiations. They are interested in exploring pragmatic and tangible measures the U.S. and Indonesia can jointly undertake to advance an ambitious outcome of the negotiations. The more technically savvy leaders on their inter-agency team are open to a more forward leaning posture on contentious issues raised by the G77. Indonesia's participation in the ongoing Major Economies Forum meeting is an opportunity to signal support for the pragmatists and to initiate a serious discussion about the role they might play, especially in the areas of adaptation and avoided deforestation. End Summary.

he Preliminaries: Signs of Hope

**¶2. (SBU)** On April 24, USAID Mission Director met Agus Purnomo, Head of Indonesia's National Climate Change Commission (NCCC) Secretariat to discuss the Major Economies Forum (MEF) meeting in Washington, D.C. Purnomo was heavily involved in preparing the Indonesian team for the meeting and is in constant communication with Minister Rachmat Witoelar, their head of delegation. Special Envoy Stern met Purnomo during his visit to Jakarta, and Deputy Envoy Pershing met him in Bon last month.

**¶3. (SBU)** Purnomo expressed appreciation for and relief at the reengagement of the United States in international climate change negotiations, while recognizing the complex domestic and international dimensions of the process. Based on his discussions with Deputy Envoy Pershing, Purnomo sees that the U.S. approach is still evolving, but believes that progress will be impossible without U.S. leadership. The threshold test for our leadership will be a meeting of minds between the United States and China. He sees that as the key to unlocking the problem set posed by the Major Economies.

**¶4. (SBU)** Purnomo was somewhat dismissive of the "background" noise created by the posturing of the G77 countries and others, which he characterized as pandering to domestic stakeholders. He was equally cautious in his assessment of the contribution of NGOs to the process, depicting many of them as underwhelming in their understanding of the technical issues.

What Can Indonesia Do?

**¶5. (SBU)** Purnomo did not expect the upcoming presidential elections or its outcome (he projects President Yudhoyono's victory) to alter the Indonesian approach to the climate change negotiations. He talked frankly about tensions in Indonesia's inter-agency discussions. Indonesia's diplomacy is often process oriented and timid, Purnomo said. He contrasted with what he saw as effective approaches by the Australians, South Africans and some of the Nordic countries. Purnomo regretted that technical capacity on this issue is severely limited and the new NCCC is still being organized and is under resourced.

**¶6. (SBU)** Purnomo would like Indonesia to play a more forward leaning role in the process. Despite limitations, Purnomo believes that he and the NCCC have made considerable progress in improving understanding and influencing the GOI to be more proactive. Purnomo has some ideas, elements of which he raised at his meeting with Special Envoy Stern and later discussed with Pershing -- mostly, a list of research oriented initiatives (some items might be replayed during this week's MEF meeting). Purnomo noted that the Indonesian delegation might raise a request for assistance of 50 million dollars for geothermal development -- reflecting the GOI's keen interest in renewable energy and clean technology.

**¶7. (SBU)** Policy and political economy issues in the energy sector in Indonesia are obstacles to developing renewable energy. Purnomo acknowledged those difficulties and is open to leveraging discussions with us on these kinds of topics as a means for breaking loose some of the policy constraints. However, he was not certain that the GOI side has enough technical depth right now to do this without assistance.

What Can We do?

**¶8. (SBU)** Purnomo is looking for some pragmatic and tangible means by which we can partner to positively influence both reductions in emissions and act as a chip that could be used successfully in the negotiations. USAID is currently working with the NCCC to explore providing some short term technical assistance to refine his agenda. EPA and Millennium Challenge Corporation staff have recently been in Jakarta and had some promising discussions with the GOI. Adaptation and avoided deforestation (REDD) are other possible areas which we might want to talk to the Indonesians about more seriously. Washington thoughts about how these initiatives are being used with other partners would be welcome.

**¶9. (SBU)** Comment: We encourage Washington to signal USG support for Indonesia's engagement as a serious partner in climate change

negotiations, openness to seeking assistance to support that engagement, as well as offering to send a high level official from the Department to build on the dialogue and map out an agenda for cooperation, specifically on adaptation and REDD. End Comment.

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